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WASHINGTON TIMES
11 December 1986



Photo by Stephen Crowley The Washington Times

Central Intelligence Agency Director William Casey (center) leaves after testifying for five hours on the Hill.

Scandal will pass, Reagan tells freshmen lawmakers

By Mary Belcher
THE WASHINGTON TIMES

President Reagan told congressional freshmen yesterday that he knew nothing about the diversion of profits from Iranian arms sales to the Nicaraguan resistance.

He also said his administration will weather the scandal.

Mr. Reagan repeatedly has denied knowing about the Iran-Contra connection, which has plunged his presidency into its worst credibility crisis. A New York Times-CBS News poll yesterday showed that 47

percent of the public thinks the president is "lying" when he says he was not aware of the diversion of funds.

"The president told the truth," said White House spokesman Larry

Speakes, responding to the poll. "The president will continue to emphasize to the American people that he is doing everything he can to get to the bottom of this. And he will be relentless in his pursuit of the facts in this matter."

Democrat Joseph Kennedy II of Massachusetts, one of about 50 congressmen-elect who met with Mr. Reagan at the White House, said

the president told the group that information on the Iran-Contra connection was withheld from him by Lt. Col. Oliver North and Vice Adm. John Poindexter.

Adm. Poindexter resigned as national security adviser and Col. North was fired from the National Security Council staff Nov. 25, when Attorney General Edwin Meese III disclosed that as much as \$30 million from secret U.S. arms sales to Iran had been diverted to Nicaraguan resistance forces.

"I think they [administration officials] are operating under the assumption that this is something that will be put behind them over a period of time and is temporary in nature," Mr. Kennedy said.

"There is also a recognition on his part that the truth has got to come out in order for the government to move forward," he said.

Congressman-elect Ernest Konnyu, California Republican, said the president "indicated he now feels the whole investigative process is one that should be opened up."

Several congressional committees have launched probes into the matter and both the House and Senate will set up special investigative panels in January. Mr. Reagan has called for an independent counsel to investigate possible criminal wrongdoing by members of his ad-

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ministration and has launched a separate probe, led by former Republican Sen. John Tower of Texas, of the NSC role in the affair.

The FBI and Justice Department are also investigating.

The president has promised to have the facts of the Iran-Contra affair uncovered and publicly disclosed. Both Adm. Poindexter and Col. North, however, have refused to answer questions in congressional inquiries, invoking their Fifth Amendment right against self-incrimination.

Mr. Speakes was asked why CIA Director William Casey yesterday testified before the House Foreign Affairs Committee in a closed session, rather than speaking publicly in keeping with the president's promises.

"The president has indicated, 'Tell as much as you can and as openly as you can and as quickly as you can,'" Mr. Speakes said. "On the other hand ... a committee is certainly willing ... to hear more in private that you cannot tell in public on this matter."

Mr. Speakes said the White House is working closely with congressional staff members to make available to them the information they need.

He said the senior Democrat and Republican aides of the House Foreign Affairs Committee came to the White House two days ago to review classified documents and make notes for committee members.

Mr. Speakes said that only the Senate and House intelligence committees have "facilities" for storing classified documents, but that arrangements are being made so that the foreign affairs panel can also have the documents it needs.

He said the Senate Intelligence Committee has also been given all the documents the White House has been able to "identify."

Mr. Speakes indicated that White House Counsel Peter Wallison is attempting to piece together a documented account of the Iran-Contra affair. He said he did not know, however, whether the results of Mr. Wal-

lison's review of White House files would be made public.

"But if we found anything that we thought would be of interest to an independent counsel or to [the] Tower [commission] or to congressional committees, which are asking for documents and individuals, we'd be glad to make it available to them on some basis," Mr. Speakes said.

"I'm sure it will be used to provide the president and others in the White House with as much information as Peter [Wallison] can gather about what happened, how it happened and so forth," he said.

In other developments:

- Secretary of State George P. Shultz said that he told America's staunchest allies that the Iranian arms sale scandal is nothing like Watergate because Mr. Reagan wants the facts disclosed.

Mr. Shultz, in Brussels for a two-day meeting with NATO foreign ministers, said U.S. allies "want us to be strong and capable of leadership, and they are reassured to see how the president is dealing with it." He was referring to his talks in London on Tuesday with Foreign Secretary Sir Geoffrey Howe, French Foreign Minister Jean-Bernard Raimond and West German Foreign Minister Hans-Dietrich Genscher.

- The Justice Department will pursue at least two investigations of private efforts to finance and arm the Nicaraguan resistance unless a court decides the probes should go to an independent counsel for the Iran arms affair.

Sources told United Press Inter-

national that the FBI opened one investigation months before Mr. Meese uncovered the Contra funds diversion. A federal grand jury in Miami has been empaneled since last month in another probe.

- The New York Daily News reported that Robert McFarlane has testified that Ayatollah Ruhollah Khomeini, the Iranian leader, was personally aware of the former national security adviser's bargaining over arms deliveries to Iran.

Mr. McFarlane continued negotiations for several more months after discovering Mr. Khomeini's involvement because there was evidence it could help the moderates strengthen their hand against anti-Western Islamic fundamentalists vying for control of Iran after Mr. Khomeini dies, the newspaper said.

- U.S. Ambassador to Lebanon John Kelly was interviewed by the FBI Tuesday, and a second U.S. diplomat has been summoned home for questioning in the Iran arms-Contra aid investigation, State Department officials said.

- This article is based in part on wire service reports.